

立法會
Legislative Council

LC Paper No. FC209/20-21
(These minutes have been
seen by the Administration)

Ref : FC/1/1(23)

Finance Committee of the Legislative Council

Minutes of the 24th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 14 May 2021, from 2:30 pm to 3:45 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, GBS, JP
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP
Hon Paul TSE Wai-chun, JP

Public officers attending:

| | |
|-----------------------------|---|
| Ms Alice LAU Yim, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Mr Raistlin LAU Chun, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1 |
| Miss CHAN Cheuk-yin, Jennie | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr Michael HONG Wing-kit | Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau |
| Mr Jacky WU Kwok-yuen, JP | Head of Civil Engineering Office, Civil Engineering and Development Department |
| Mr Joseph LO Kwok-kuen | Deputy Head of Civil Engineering Office (Housing), Civil Engineering and Development Department |

| | |
|--------------------------|--|
| Mr Max WONG Chi-chung | Chief Architect (3), Housing Department |
| Ms Karen LEUNG Miu-yin | Chief Estate Surveyor (Acquisition Section), Lands Department |
| Mr Kepler YUEN Shing-yip | District Planning Officer (Tuen Mun and Yuen Long West), Planning Department |
| Ms Carrie LEUNG Kar-yee | Chief Traffic Engineer (New Territories West), Transport Department |

Clerk in attendance:

| | |
|--------------|-------------------------------|
| Ms Anita SIT | Assistant Secretary General 1 |
|--------------|-------------------------------|

Staff in attendance:

| | |
|----------------|-----------------------------------|
| Miss Bowie LAM | Council Secretary (1)1 |
| Mr Frankie WOO | Senior Legislative Assistant (1)3 |
| Miss Yannes HO | Legislative Assistant (1)7 |

Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

2. In respect of the public works items to be considered at this meeting, the Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited, and also a Director of Well Link General Insurance Company Limited and Well Link Life Insurance Company Limited, both under the Well Link Insurance Group.

**Item 1 — FCR(2021-22)10
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 21 APRIL 2021**

**PWSC(2021-22)1
HEAD 709 — WATERWORKS
Water Supplies — Fresh water supplies**

365WF — Siu Ho Wan water treatment works extension
Water Supplies — Salt water supplies
54WS — Salt water supply to Sha Tin Area 52, Shui Chuen O
55WS — Reclaimed water supply to Sheung Shui and Fanling

3. The Chairman said that the current item invited members to approve the following recommendations of the Public Works Subcommittee ("PWSC") made at its meeting on 21 April 2021:

- (a) the upgrading of part of **365WF** as **373WF**, entitled "Siu Ho Wan water treatment works extension – main works", to Category A at an estimated cost of \$3,694.9 million in money-of-the-day ("MOD") prices;
- (b) the retention of the remainder of **365WF** in Category B;
- (c) the upgrading of **54WS** "Salt water supply to Sha Tin Area 52, Shui Chuen O" to Category A at an estimated cost of \$136 million in MOD prices; and
- (d) the upgrading of **55WS** "Reclaimed water supply to Sheung Shui and Fanling" to Category A at an estimated cost of \$1,255.5 million in MOD prices.

No member had requested that these recommendations be submitted to the Finance Committee ("FC") separately to facilitate voting on the item.

Voting on FCR(2021-22)10

4. At 2:32 pm, the Chairman put item FCR(2021-22)10 to vote. The Chairman declared that he thought the majority of the members present and voting were in favour of the item. The item was approved.

Item 2 — FCR(2021-22)11
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 21 APRIL 2021

PWSC(2021-22)2
HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR SYSTEMS
AND EQUIPMENT
Technical Education and Industrial Training
Vocational Training Council

21EM — Development of the Vocational Training Council Aviation and Maritime Education Centre at Tsing Yi

5. The Chairman said that the current item invited members to approve the following recommendation of PWSC made at its meeting on 21 April 2021: The upgrading of **21EM** "Development of the Vocational Training Council Aviation and Maritime Education Centre at Tsing Yi" to Category A at an estimated cost of \$862.2 million in MOD prices. No member had requested that the recommendation be submitted to FC separately to facilitate voting on the item.

Voting on FCR(2021-22)11

6. At 2:33 pm, the Chairman put item FCR(2021-22)11 to vote. The Chairman declared that he thought the majority of the members present and voting were in favour of the item. The item was approved.

**Item 3 — FCR(2021-22)12
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 21 APRIL 2021**

PWSC(2021-22)3

HEAD 706 — HIGHWAYS

Transport — Roads

856TH — Flyover from Kwai Tsing Interchange Upramp to Kwai Chung Road

7. The Chairman said that the current item invited members to approve the following recommendation of PWSC made at its meeting on 21 April 2021: the upgrading of **856TH** "Flyover from Kwai Tsing Interchange Upramp to Kwai Chung Road" to Category A at an estimated cost of \$472 million in MOD prices. No member had requested that the recommendation be submitted to FC separately to facilitate voting on the item.

Voting on FCR(2021-22)12

8. At 2:33 pm, the Chairman put item FCR(2021-22)12 to vote. The Chairman declared that he thought the majority of the members present and voting were in favour of the item. The item was approved.

**Item 4 — FCR(2021-22)13
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 21 APRIL 2021**

PWSC(2021-22)4

HEAD 711 — HOUSING

Civic Engineering — Land development

**810CL — Site formation and infrastructure works for public
housing development at Long Bin, Yuen Long**

9. The Chairman said that the current item invited members to approve the following recommendation of PWSC made at its meeting on 21 April 2021: the upgrading of **810CL** "Site formation and infrastructure works for public housing development at Long Bin, Yuen Long" to Category A at an estimated cost of \$1,642.7 million in MOD prices. PWSC had spent 40 minutes on discussion of this item.

Land acquisition cost

10. Mr Tony TSE supported the current proposal which would provide land for public housing development. He enquired about the nature of business of the 20 business undertakings affected by the Government's plan to resume private land, as well as the compensation payable to them. Mr TSE also stated the following views on the existing ex-gratia compensation system:

- (a) as the prevailing arrangements for classifying the affected land into compensation zones (i.e. Zones A, B, C and D) were last revised in mid-1990s, it was high time to conduct another review; and
- (b) the compensation rates applicable to different zones might no longer be appropriate under present-day circumstances.

11. In response, Chief Estate Surveyor (Acquisition Section), Lands Department ("CES(AS), LandsD") advised that:

- (a) the 20 affected business undertakings included organic farms, carparks, workshops and godowns;
- (b) in accordance with existing policies, ex-gratia allowance ("EGA") was also payable to affected business operators if they met the eligibility criteria, such as the business undertakings operating their activities in a licenced

structure/surveyed squatter for non-domestic uses covered by the 1982 Squatter Control Survey/Licences at the time of the pre-clearance survey ("PCS");

- (c) since 2018, EGA had been extended to operators of open-air/outdoor business undertakings if they had been operating on the private agricultural land, not in breach of the lease conditions or permitted by short term land instruments and operating for at least seven years immediately preceding PCS; or on government land under a short term tenancy ("STT") (excluding sites let under the Abbreviated Tender System)/a government land licence ("GLL") first granted at least seven years immediately preceding PCS without breach of the STT/GLL conditions;
- (d) the Government was making available suitable vacant government sites for letting to eligible business operators affected by the land resumption and clearance exercises for government development projects, by way of short-term tenancy through tender;
- (e) as a reference, Phase 1 of Wang Chau Development, about 85% of the landowners affected by land acquisition had accepted ex-gratia zonal compensation; and
- (f) as the existing system had been working effectively, there was no immediate plan to conduct a review.

12. Mr LEUNG Che-cheung highlighted his dissatisfaction with the existing ex-gratia zonal compensation system as follows:

- (a) the demarcation of affected areas as "New Town Development Areas" (i.e. Zone A) was highly arbitrary and ill-conceived;
- (b) an example of such unfairness was the classification of land resumed for the Yuen Long South Development ("YLSD") as Zone A, whereas the land resumed under the current item, which was in close proximity to YLSD, was classified as Zone B with a much lower rate of compensation; and
- (c) the unreasonable determination of compensation zones was highly unfair to affected landowners.

13. In this connection, Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau ("CCE(PWP), THB") and CES(AS) highlighted that:

- (a) in determining whether the affected land fell within Zone A, B, C or D, the Government would take into consideration the location of the land in question and the nature of the development plan involved;
- (b) the ex-gratia zonal compensation system was offered as an alternative to statutory compensation. If the persons concerned did not accept the offer, they could opt to submit claims for statutory compensation to the Lands Department, and pursue their claims at the Lands Tribunal for final determination if the amount of claims could not be agreed; and
- (c) a system was in place for assessment and reimbursement of professional fees that the claimants reasonably incurred in connection with their claims.

14. Dr Junius HO supported the current item. However, he did not subscribe to the Administration's explanation on the ex-gratia compensation system. He was of the view that the current arrangements were highly inequitable and should be critically reviewed so as to safeguard the rights of eligible landowners. Dr HO also stressed the need to make reference to relevant provisions in the Town Planning Ordinance (Cap. 131), notably section 4(1) and section 12A, in determining ex-gratia zonal compensation.

15. Mr Steven HO remarked that while the proposed site formation and infrastructure works were necessary in order to provide land for public housing development, the ex-gratia zonal compensation system for land resumption lacked fairness and should be thoroughly re-examined.

16. Noting members' views, CCE(PWP) highlighted that it was necessary to handle ex-gratia compensation for the current development project in accordance with the prevailing mechanism, but members' views would be relayed to the Development Bureau for consideration.

17. Mr YU Si-wing sought information on the expenditure item of interest payment in the breakdown of land acquisition cost. Dr CHENG Chung-tai said that interest payment could well be avoided if payment of compensation was effected in a timely manner. He was also concerned

about possible abuse by landowners who deliberately cause delay in an attempt to pocket interest payment. In response, CES(AS) advised that :

- (a) a reasonable time was needed for affected landowners to submit requisite documents for scrutiny and verification before payment could be effected;
- (b) interest generally at the interest rate for 24-hour bank deposits was payable from the date of reversion of the land to the date of payment of compensation to the affected landowners; and
- (c) deliberate delay by landowners was highly unlikely as they would prefer early receipt of compensation than benefiting from a small amount of interest, as evidenced by experience.

18. Mr Tony TSE urged the Administration to identify and resolve any bottlenecks in its procedures so as to expedite the payment of ex-gratia compensation to affected landowners. The Administration took note of his suggestion.

Planning and transport-related issues

19. Dr CHENG Chung-tai said that he would not support the current proposal for the following reasons:

- (a) the construction of high-rise and high-density buildings on the site concerned did not have the support of the relevant District Council on account of their visual impact and the adverse impact on air ventilation; and
- (b) coupled with the population intake of other major developments including Wang Chau and Ping Shan, the future population in Yuen Long West would increase by some 100 000, putting a heavy strain on local transport, medical services and the environment.

20. Mr LEUNG Che-cheung urged the Administration to take into account the increase in vehicular traffic and devise suitable traffic improvement measures. Recalling that he did not support the public works proposals related to public housing developments in Tuen Mun Central and Kam Tin South, Mr Michael TIEN opined that a proper transport infrastructure should be put in place ahead of housing developments. He was gravely concerned about congestions and existing

public transport facilities in Yuen Long operating beyond their capacity in the imminence of massive population intake.

21. Ir Dr LO Wai-kwok expressed support for the current proposal to provide land for public housing development, and stressed a parallel need to develop a proper transport infrastructure to enable connectivity and related activities. He enquired about the public transport facilities available to future residents. Ir Dr LO also recalled that in Tung Chung and Kwu Tung, the provision of public transport networks lagged far behind the housing developments, contrary to the concept of transit-oriented development.

22. In response, CCE(PWP) and Head of Civil Engineering Office, Civil Engineering and Development Department ("H of CEO, CEDD") advised that:

- (a) CEDD had conducted a traffic impact assessment for the proposed development;
- (b) proposed traffic improvement measures would include construction of three footbridges, construction of a public transport interchange, road improvement works of a section of Long Tin Road slip road near Castle Peak Road – Ping Shan, and construction of a carriageway and footpath connecting Ma Fung Ling Road with Long Tin Road;
- (c) with the full implementation of the proposed traffic improvement measures, the road network at Long Bin could accommodate the transport needs arising from the proposed development;
- (d) long-term road infrastructure improvement measures would also be implemented in the district, notably improvement works for Tong Yan San Tsuen Interchange, widening of Yuen Long Highway (section between Lam Tei Quarry and Tong Yan San Tsuen Interchange), Route 11 and upgrading of signaling system of West Rail;
- (e) upon completion of improvement works to the Tong Yan San Tsuen Interchange in 2028, traffic conditions along Long Tin Road would be improved; and
- (f) for commuting needs, the existing bus lay-bys at Castle Peak Road – Ping Shan Westbound would be extended and a

public transport interchange would be provided in the area. The Ping Shan and Shui Pin Wai Light Rail Stations were located around 500 m of the proposed public housing development.

23. Mr YIU Si-wing expressed support for the current item, which would help meet the demand for public housing. Regarding the key development parameters of the public housing development at Long Bin, Mr YIU sought the following information:

- (a) whether the capacity of the proposed public housing development and related carparking spaces could be boosted;
- (b) whether a public market would be provided;
- (c) the planning basis for providing some 1 000 carparking spaces for about 33 000 residents; and
- (d) the types of parking spaces and whether some of them would be available for other users, such as tour coaches.

24. In response, CCE(PWP) advised that:

- (a) every attempt had been made to optimize the development potential of the site, for example, the provision of additional about 200 units by invoking procedures under Section 16 of the Town Planning Ordinance (Cap. 131);
- (b) a wet market would be provided in Phase 2 of the development;
- (c) the number of carparking spaces had been planned according to the Hong Kong Planning Standards and Guidelines ("HKPSG") and with reference to the enhanced ratio to be promulgated under the revised HKPSG by the Transport Department; and
- (d) while hourly parking spaces would be available, it might not be suitable to cater for the parking needs of large vehicles such as tour coaches inside public housing estates.

25. Whilst agreeing that the demand for public housing must be met, Ms Alice MAK stated the following views:

- (a) members' concerns about inadequate transport facilities and ex-gratia zonal compensation system had all stemmed from the piecemeal approach adopted by the Government in planning and taking forward development projects;
- (b) instead of proposing to develop the area holistically as a new town, only individual items such as public housing developments were singled out, thus ruling out the possibility of classifying the affected land as Zone A and resulting in a lack of comprehensive planning of related facilities; and
- (c) the Administration should review the existing policy and adopt a macro and well-coordinated approach in planning new developments.

26. To enable a better understanding of how an individual project (e.g. public housing development) would dovetail with the overall planning of public services in the district, Mr Holden CHOW considered it useful if the Administration would also include information on overall planning at the macro level in its funding submissions.

27. CCE(PWP) highlighted that there was overall planning at the district level and individual project would be implemented as soon as possible according to its project programme. Nevertheless, members' views and suggestions on inclusion of more information on overall planning (such as improvement measures for traffic and parking issues at the district level) in future papers would be considered.

Voting on FCR(2021-22)13

28. At 3:45 pm, the Chairman put item FCR(2021-22)13 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 21 members voted in favour of and one member voted against the item, and three members abstained from voting. The votes of individual members were as follows:

For:

Mr Tommy CHEUNG Yu-yan
Mr WONG Ting-kwong
Mr WONG Kwok-kin

Mr Jeffrey LAM Kin-fung
Ms Starry LEE Wai-king
Mrs Regina IP LAU Suk-yee

| | |
|--------------------------------|----------------------------|
| Mr Frankie YICK Chi-ming | Mr YIU Si-wing |
| Mr MA Fung-kwok | Mr KWOK Wai-keung |
| Mr Christopher CHEUNG Wah-fung | Mr Martin LIAO Cheung-kong |
| Mr POON Siu-ping | Ir Dr LO Wai-kwok |
| Dr Junius HO Kwan-yiu | Mr SHIU Ka-fai |
| Ms YUNG Hoi-yan | Dr Pierre CHAN |
| Mr CHAN Chun-ying | Mr LUK Chung-hung |
| Mr Tony TSE Wai-chuen | |
| (21 members) | |

Against:

Dr CHENG Chung-tai
(1 member)

Abstain:

| | |
|-------------------------|---------------------|
| Mr Michael TIEN Puk-sun | Mr LEUNG Che-cheung |
| Mr Kenneth LAU Ip-keung | |
| (3 members) | |

29. The Chairman declared that the item was approved.
30. The meeting ended at 3:45 pm.